

sons or circumstances shall not be affected thereby.

(Pub. L. 97-468, title VI, §616, Jan. 14, 1983, 96 Stat. 2578.)

**CHAPTER 22—CONRAIL PRIVATIZATION**

**SUBCHAPTER I—GENERAL PROVISIONS**

- Sec. 1301. Findings.
- 1302. Purposes.
- 1303. Definitions.

**SUBCHAPTER II—CONRAIL**

**PART A—SALE OF CONRAIL**

- 1311. Preparation for public offering.
  - (a) Public offering managers.
  - (b) Payment to United States.
  - (c) Registration statement.
- 1312. Public offering.
  - (a) Structure of public offering.
  - (b) Subsequent sales.
  - (c) Consent of Corporation not required.
  - (d) Authority to require stock splits.
  - (e) Cancellation of other securities held by United States.
  - (f) Minority investment banking firms.
  - (g) Investment banking firm requirements.
  - (h) Government Accountability Office authority to conduct audits.
- 1313. Fees.
  - (a) Investment banking firm fees.
  - (b) Costs of public offering.

**PART B—OTHER MATTERS RELATING TO SALE**

- 1321. Rail service obligations.
  - (a) Obligations of Corporation.
  - (b) Compliance certificates.
- 1322. Ownership limitations.
  - (a) General.
  - (b) Railroads.
- 1323. Board of Directors.
- 1324. Certain enforcement relief.
  - (a) Enforcement actions.
  - (b) Special court.

**PART C—MISCELLANEOUS PROVISIONS**

- 1341. Abolition of United States Railway Association.
  - (a) Abolition and termination.
  - (b) Transfer of securities and responsibilities.
  - (c) Financing agreement.
- 1342. Exemption from liability.
  - (a) In general.
  - (b) Exception.
- 1343. Charter amendment.
- 1344. Status of Conrail after sale.
- 1345. Effect on contracts.
- 1346. Resolution of certain issues.
  - (a) Employee issues.
  - (b) Corporation actions.
  - (c) Right to sue withdrawn.
- 1347. Tax treatment of Conrail public sale.
  - (a) Treatment as new corporation.
  - (b) No income from cancellation of debt or preferred stock.
  - (c) Disallowance of certain deductions.
  - (d) Waiver of certain employee stock ownership plan provisions.
  - (e) Definitions.

**SUBCHAPTER I—GENERAL PROVISIONS**

**§ 1301. Findings**

The Congress finds that—

(1) the bankruptcy of the Penn Central and other railroads in the Northeast and Midwest resulted in a transportation emergency which required the intervention of the Federal Government;

(2) the United States Government created the Consolidated Rail Corporation, which provides essential rail service to the Northeast and Midwest;

(3) the future of rail service in the Northeast and Midwest is essential and must be protected through rail service obligations, consistent with the transfer of the Corporation to the private sector;

(4) the Northeast Rail Service Act of 1981 has achieved its purpose in allowing the Corporation to become financially self-sustaining;

(5) the Federal Government has invested over \$7,000,000,000 in providing rail service to the Northeast and Midwest;

(6) the Government, as a result of its ownership and investment of taxpayer dollars in the Corporation, controls substantial assets, including cash of approximately \$1,000,000,000;

(7) the Corporation's viability and sound performance allow it to be sold to the American public for a substantial sum through a public offering;

(8) a public offering of the Corporation's stock will preserve competitive rail service in the region, provide a reasonable return to the Government, and protect employment;

(9) the Corporation's employees contributed significantly to the turnaround in the Corporation's financial performance and they should share in the Corporation's success through a settlement of their claims for reimbursement for wages below industry standard, and a share in the common equity of the Corporation;

(10) the requirements of section 761(e)<sup>1</sup> of this title are met by this chapter; and

(11) the Secretary of Transportation has discharged the responsibilities of the Department of Transportation under the Northeast Rail Service Act of 1981 with respect to the sale of the Corporation as a single entity.

(Pub. L. 99-509, title IV, §4002, Oct. 21, 1986, 100 Stat. 1893.)

**REFERENCES IN TEXT**

The Northeast Rail Service Act of 1981, referred to in pars. (4) and (11), is subtitle E of title XI of Pub. L. 97-35, §§1131-1169, Aug. 13, 1981, 95 Stat. 643, as amended. For complete classification of this Act to the Code, see Short Title note set out under section 1101 of this title and Tables.

Section 761 of this title, referred to in par. (10), was repealed by Pub. L. 99-509, title IV, §4033(a)(1), Oct. 21, 1986, 100 Stat. 1908.

This chapter, referred to in par. (10), was in the original "this subtitle" meaning subtitle A (§§4001-4052) of title IV of Pub. L. 99-509, Oct. 21, 1986, 100 Stat. 1892, known as the Conrail Privatization Act, which is classified principally to this chapter. For complete classification of subtitle A to the Code, see Short Title note set out below and Tables.

**SHORT TITLE**

Section 4001(a) of subtitle A (§§4001-4052) of title IV of Pub. L. 99-509 provided that: "This subtitle [enacting

<sup>1</sup> See References in Text note below.